



SDMS Doc ID 165851

# Perchlorate Conference

Ontario, California

March 18-19, 1999

## **Public Financing**

Outline of Remarks

by

Thomas M. DeMars

Principal

Fieldman, Rolapp & Associates

Irvine, California

# Conference Context

**Major Focus:** Removal and Treatment Technologies  
for Drinking Water

**Emphasis:** Perchlorate and other Contaminants

**Goal:** Containment of Contaminants

**Conflicts:** Convergence of “Agendas”

# Introduction and Overview

- **Public Finance Industry**
- **The Financing Process**
- **Relationship to you**
- **Issues and Concerns**
- **Conclusions**

*Is your Board thinking this...*

**With all the regulatory changes coming at us for improving water quality coupled with the growing concern from the public that rates, fees, charges and taxes are too high...**

**How do we**

- effectively plan our Capital Improvement Programs**
- pay for the implementation of these Capital Improvement Programs**

# Public Finance Industry

## **Purpose**

**Assist public agencies in raising  
capital for project needs**

# Public Finance Industry

## Composition

- **Issuer**

- District
- Joint Financing

- **Consultants**

- Financial Advisors
- Economic
- Environmental
- Appraisers
- Engineers/Feasibility Consultant
- Election Consultant

- **Legal Counsels**

- Bond Counsel
- Agency Counsel
- Underwriter Counsel

- **Banking Professionals**

- Investment Banker/Underwriter
- Trustee

- **Market Professionals**

- Broker/Dealer Community
- Investor Community

# The Financing Process

- **Initial Actions**

- **When do we need money**
- **How long does it take to get it**

- **Assemble the Financing Team**

# The Financing Process

## ● Identify Agency's Goals

### – Legal Analysis

- Taxable/Tax-exempt
- Type of Borrowing
- Structure of Borrowing

### – Financial Analysis

- Amount to be Borrowed
- Debt Service Structure
- Security
- Covenants/Promises
- Additional Debt Tests
- Credit Enhancement

### – Document Preparation

- Bond Documents/Resolutions
- Offering Document (Official Document)
- Due Diligence
- Report to Legislative Body



# The Financing Process

- **Document Approval by Legislative Body**
- **Closing**
  - Execution of Documents
  - Deliver Securities
  - Receipt of Funds
- **Sale of Security to Investment Community**
  - Negotiated Sale
  - Competitive Sale
- **Build the Project/Upgrade Facilities**

# Relationship to you

- **Research of Contaminants**
- **Development of Containment Measures**
- **Integration into Capital Improvement Programs and Financing Plans**
- **Identify Projects**
  - Need
  - Priority
  - Timing
- **Identify Revenue Source**

# Issues and Concerns

- **Federal and State Mandates**
- **Cost of Containment versus Benefit of Containment**
- **Revenue Source**
- **Uncertainty of Contaminants**
- **Planning Process**
  - Capital Improvements
  - Financial
- **Compliance Uncertainty**
- **Voter Initiatives**

# Concluding Remarks

- **Enhance Lobbying at State/Federal Levels**
  - Fair & Reasonable Regulations
  - Funding for Mandates
  - Implementation Guidelines
- **Compliance Threats**
  - Voter Initiatives
  - Implementation Timeframes
- **Enhance Education/Information Efforts**
  - Elected Officials
    - Federal/State/Local/Your Board
  - Voters/Rate Payers
- **Coordinate Efforts**
  - Research & Development
  - Planning
  - Implementation
  - Compliance
- **Stay ahead of the Curve**
  - Proactive
  - Reactive

...

# Questions and Answers

March 19, 1999

Perchlorate Conference

Page 13